(c) what progress has, so far, been made in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The Board of Directors of the Indian Oil Corporation Limited (IOC) has accorded approval, in principle, for acquisition of a suitable overseas medium-sized Exploration & Production (E&P) company in order to strengthen the Corporation's E&P business. However, the process of acquisition of such a company involves, among other things, identification and evaluation of a suitable target company which will provide IOC sufficient leverage in achieving its E&P business, as also negotiation with that company. This also involves availing of the assistance of international adviser (s) of repute, for which approval of the Board of Directors of IOC has also been obtained. IOC has initiated the process for appointment of such advisers. The acquisition of the E&P company is subject to the approval of the Government.

ONGC Videsh's Sudan project

753. SHRI S.P.M. SYED KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have approved a pipeline project by ONGC Videsh Ltd. in Sudan;

(b) if so, the details thereof;

(c) whether Government have exempted the OVL from taking political risk insurance even though it has been suggested by the Finance Ministry while approving the project; and

(d) the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. On 24.6.2004 Government accorded approval to ONGC-Videsh Limited (OVL) for undertaking construction and associated works of a 12 inch diameter 741 Km. onland multiproduct pipeline from Khartoum refinery to Port-Sudan on turn-key basis, at an estimated cost not exceeding US$ 200 million.

(c) and (d) OVL has been advised to protect their overseas recourse investment through an appropriate insurance mechanism.